September 1, 2011

Utility Services Division Missouri Public Service Commission 200 Madison Street Jefferson City, Missouri 65101

RE: Southern Missouri Gas Company, L.P. d/b/a Southern Missouri Natural Gas School Aggregation Program – ACA Follow Up Report, August 2011

On July 8, 2011, Southern Missouri Natural Gas ("SMNG") filed its response to the recommendation by the Staff of the Missouri Public Service Commission ("Staff") in Case No. GR-2010-0218, the 2010-2011 Actual Cost Adjustment. In its response, the Company stated it would provide an update on the resolution of the capacity release for the Schools.

SMNG has not yet issued the bill to Seminole Energy Services, but plans to do so on September 2, 2011 for the 2009-2010 deficiency.

SMNG and the Missouri School Board Association have reached agreement on contract language that includes but is not limited to changes in text, specific capacity release volumes broken out by winter month, and a shorten time frame for. SMNG is working on updating the contracts with the individual schools.

Please contact me with any questions or concerns.

Respectfully Submitted

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